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WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION ON THE GRANTING
OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

FALKLAND ISLANDS (MALVINAS)

Working paper prepared by the Secretariat

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FALKLAND ISLANDS (MALVINAS) 1/

I. GENERAL

1. The Falkland Islands (Malvinas), which is administered by the United Kingdom of Great Britain and Northern Ireland, comprises two large islands known as East and West Falkland, as well as some 200 smaller islands, and has a total area of about 12,173 square kilometres. The Territory is situated in the South Atlantic Ocean, about 770 kilometres north-east of Cape Horn and about 480 kilometres east of the South American mainland. South Georgia, located about 1,300 kilometres south-east of the Falkland Islands (Malvinas) group, and the South Sandwich Islands, about 750 kilometres east-south-east of South Georgia, are administered from the Falkland Islands (Malvinas) as a separate territory; the Governor of the Falkland Islands (Malvinas) acts as Commissioner for South Georgia and the South Sandwich Islands.

2. According to the 1991 census, the population of the Territory was 2,121, excluding military personnel and contract workers, but including some expatriate staff in permanent posts. Of the total, 1,643 lived in Stanley, the capital, and its environs and the remainder on farms and in small settlements varying in size from Goose Green, with around 30 people, to several farms run by only one family. Most settlement communities have fewer than 10 people. In 1980, according to the census of that year, of the 1,813 permanent inhabitants, 1,360 had been born in the Territory and about 300 in the United Kingdom.

II. CONSTITUTION AND GOVERNMENT

3. The Constitution of the Falkland Islands (Malvinas), which came into effect on 18 April 1985, vests executive power in a Governor assisted by an Executive Council consisting of the Chief Executive and the Financial Secretary and three members of the Legislative Council chosen by the eight elected members from among themselves. The Chief Executive and Financial Secretary are ex officio members of both councils and have no vote. (For further details, see the 1985 working paper prepared by the Secretariat (A/AC.109/835 and Corr.1, paras. 4-39).)

4. The preamble to Chapter I of the Constitution, dealing with the protection of fundamental rights and freedoms of the individual, stresses that "all peoples have the right to self-determination and by virtue of that right they freely determine their own political status". It also provides that "realization of the right of self-determination must be promoted and respected in conformity with the provisions of the Charter of the United Nations".

5. The Territory is divided into two constituencies for electoral purposes: the Stanley Constituency, which comprises the capital and its environs, and the Camp Constituency, made up of the rest of the Territory. There are four elected members for each constituency. All Commonwealth citizens 18 years or older who satisfy the residency requirements are allowed to vote. Elections must be held at intervals not longer than just over four years. The last general election was held in October 1993.

III. CONSIDERATION BY THE UNITED NATIONS

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

6. The Special Committee considered the question of the Falkland Islands (Malvinas) at its 1420th meeting on 14 July 1993, when it had before it a working paper on developments concerning the Territory prepared by the Secretariat (A/AC.109/1168).

7. The Special Committee granted requests for hearing petitioners and, at its 1420th meeting, heard statements by four petitioners (A/AC.109/PV.1420).

8. The representative of Venezuela introduced, on behalf also of Chile and Cuba, draft resolution A/AC.109/L.1803, which was subsequently adopted without a vote.

9. The Minister for External Relations and Worship of Argentina made a statement (A/AC.109/PV.1420), in which he said that the recovery of the Malvinas, South Georgia and the South Sandwich Islands was a permanent and irrevocable goal of the Argentine people and that his Government would not flag in its efforts to obtain their prompt and peaceful restitution. He noted that various General Assembly resolutions, particularly resolutions 2065 (XX) of 16 December 1965, 3160 (XXVIII) of 14 December 1973, and 37/9 of 4 November 1982, had recognized that there was a sovereignty dispute between Argentina and the United Kingdom and had established that it must be resolved by negotiations, taking into account the interests of the population of the Islands. Argentina considered that the dispute must be resolved in conformity with paragraph 6 of General Assembly resolution 1514 (XV) of 14 December 1960, which granted pre-eminence to the principle of territorial integrity in the decolonization of territories that previously belonged to a State. He said that prior to 1833, when the United Kingdom had occupied the Malvinas by force, the Islands were an integral part of Argentina. The Minister for Foreign Affairs noted that since the resumption of diplomatic relations between Argentina and the United Kingdom in 1990, their relationship was excellent except for the dispute in the South Atlantic.

10. With regard to fishing, the Minister for Foreign Affairs noted that in December 1992 Argentina had decided to restrict its own squid catch for the 1993 season in order to avoid causing an economic emergency in the Malvinas. The Minister for Foreign Affairs reaffirmed and made a commitment that in no case would Argentina play politics with fishing or engage in predatory fishing in the South Atlantic. The Minister for Foreign Affairs also said that if Argentina's right to increase its squid catch were not accepted, it would be difficult to make a more lasting settlement. The situation was further complicated because of jurisdictional measures which the United Kingdom had recently taken in the area of the South Georgia and South Sandwich Islands, which Argentina protested and rejected. (For details, see A/AC.109/1168, paras. 21, 22 and 45 and A/AC.109/1168/Corr.1, paras. 3, 7 and 8.) Were the United Kingdom to impose additional fishing regulations, he said, it would violate the Convention on the

Conservation of Antarctic Marine Living Resources and would mean raising this bilateral dispute within the context of the Antarctic Treaty.

11. The Minister for Foreign Affairs also noted that, on 7 May 1993 the Governments of Argentina and the United Kingdom had agreed, under the "umbrella" of sovereignty, to renew their conservation efforts within the framework of the above-named Convention and that the first meeting between the two countries on the South Georgia and South Sandwich Islands, which had taken place in London on 15 June, had been positive. In light of these facts, the possible British action on fishing in the area of the South Georgia and South Sandwich Islands was even less acceptable.

12. The Minister for Foreign Affairs noted that another area of deadlock between his Government and the United Kingdom related to the prospecting for, and exploitation of oil. Argentina had protested and rejected the United Kingdom's decision to open up to tender and to grant licences for seismic prospecting in the maritime areas around the Malvinas and had informed the oil companies concerned that they could be subject to administrative and legal action under Argentine law if they proceeded. In the belief that it was not prudent to proceed to prospect for oil and exploit resources without a previous bilateral understanding, Argentina in 1992 had made proposals to establish mechanisms for cooperation with the United Kingdom which were still on the table.

13. The Minister for Foreign Affairs noted that there had been progress towards military normalization in the South Atlantic, as evidenced by the understanding reached on 12 July 1992.

14. The Minister for Foreign Affairs said that international law and United Nations resolutions clearly established that the only two parties to the sovereignty dispute were Argentina and the United Kingdom. However, at the same time, no one could sensibly fail to recognize the important de facto role that the islanders had to play in the question.

15. The Minister for Foreign Affairs expressed Argentina's desire to have direct links with the islanders. As a contribution to air links between the islands and the rest of the continent, Argentina had authorized a Chilean airline, which could not fly without its permission, to operate regular flights between Punta Arenas, Chile, and the islands, with an optional intermediate stop in Rio Gallegos.

16. The Minister for Foreign Affairs reassured the islanders that present-day Argentina was firmly committed to the peaceful resolution of all its differences with the United Kingdom. Further he was sure that a change of sovereignty would be unlikely to affect the daily life of the islands. He added that Argentina approached the question of sovereignty from a firm, modern position.

17. The Minister for Foreign Affairs said that although Argentina had no direct formal contacts with the islanders, in effect a dialogue without intermediaries had begun: in recent months he had personally exchanged letters with islanders, had spoken to the islands by radio, television and had personal meetings with some young islanders in London. Argentina's desire was that the islanders would

one day change their minds on the substantive question as that would have a considerable impact on the position of the United Kingdom and significantly increase the chances of finding a satisfactory solution. In the meantime, Argentina would use two main instruments of persuasion, its capacity to explain and convince regarding the solid foundations of its claim and the achievement of a firmly democratic and prosperous Argentina.

18. Statements and explanation of vote were made by Papua New Guinea, Sierra Leone and Trinidad and Tobago (A/AC.109/PV.1420). All three representatives said they would have preferred the inclusion in the text of specific references to the principle of self-determination.

19. On 15 July 1993, the text of the resolution (A/AC.109/1169) was transmitted to the Permanent Representatives of the United Kingdom and of Argentina to the United Nations for the attention of their respective Governments.

B. General Assembly

Position of the Government of Argentina

20. During the general debate of the forty-eighth session of the General Assembly, the Minister for External Relations and Worship of Argentina, in the course of his statement on 28 September 1993 (A/48/PV.7), reaffirmed the position of his Government that Argentina had well-founded and unequivocal sovereign rights over the Malvinas and over the South Georgia and South Sandwich Islands.

21. The Minister for Foreign Affairs noted that for the first time, the Special Committee had adopted a resolution on the question without a vote. The resolution urged the parties again to resume negotiations as his country was ready to do.

22. The Minister for Foreign Affairs referred briefly to the issues he had discussed at length in the Special Committee, namely, the progress made with the United Kingdom in reducing the security restrictions inherited from the 1982 conflict, the situations with regard to fishing and oil exploration and Argentina's relationship with the islanders.

Contributions by other Member States

23. During the debate in the Fourth Committee, the representative of Chile made a declaration on behalf of the Rio Group (A/C.4/1994/SR.5), which expressed the hope that the current state of bilateral relations between the Republic of Argentina and the United Kingdom of Great Britain and Northern Ireland would lead to finding as soon as possible a peaceful, just and lasting solution to the dispute on sovereignty relating to the question of the Malvinas Islands.

24. During the same debate (A/C.4/1994/SR.4), Brazil joined the Rio Group in reaffirming its support for the continuation of the constructive dialogue undertaken by the Governments of Argentina and the United Kingdom aimed at

finding a peaceful and fair solution to the dispute on sovereignty over the Malvinas Islands.

25. Also during the same debate (A/C.4/1994/SR.5), Nicaragua expressed the hope that through the spirit of dialogue which had prevailed between Argentina and United Kingdom, a satisfactory solution to the Malvinas question would be reached.

Position of the United Kingdom

26. Speaking in the right of reply during the general debate at the forty-eighth session of the General Assembly (A/48/PV.7), the representative of the United Kingdom repeated that his Government had no doubts about its sovereignty over its dependencies in the South Atlantic. It would continue to work with the Government of Argentina to create an atmosphere of stability and cooperation in the South Atlantic and considerable progress had been made. The United Kingdom looked forward to resuming negotiations in the near future on a new agreement on fishing. However, the progress which had been achieved was predicated on the understanding that sovereignty was not a matter the United Kingdom was prepared to discuss.

IV. CONSIDERATION BY OTHER INTERGOVERNMENTAL ORGANIZATIONS

Organization of American States

27. At its twenty-fourth regular session, held at Belem, Brazil, from 6 to 10 June 1994, the General Assembly of the Organization of American States, taking into account that on numerous occasions it had declared that the question of the Malvinas Islands constituted a question of permanent hemispheric interest and recalling its resolution AG/Res.928 (XVIII-O/88), adopted by consensus, requesting Argentina and the United Kingdom to resume negotiations in order to find as soon as possible, a peaceful solution to the sovereignty dispute: expressed its satisfaction at the reaffirmation by the Government of Argentina of its willingness to continue to explore all possible avenues for a peaceful solution of the controversy, particularly its positive consideration of the inhabitants of the Malvinas Islands. The Assembly decided to continue to examine the question at its future sessions until it was definitively solved.

V. POLITICAL DEVELOPMENTS

28. On 12 July 1993, the United Kingdom and Argentine Governments issued a Joint Statement (A/48/266-S/26086) by which they took account of the increased mutual confidence between them and agreed on elements of an "interim reciprocal information and consultation system" in order to promote a more normal situation in the South Atlantic.

29. According to the Joint Statement, the interim system would involve maintaining the direct communications link between the military authorities of the two Governments, under the supervision of both Foreign Ministries. The link, including radio, telex and facsimile facilities, would be manned on a

24-hour basis and tested weekly, while an alternative telephone link would be added.

30. In the interest of confidence-building, the parties would provide at least two weeks' written notice on movements of four or more naval or air units within 55 nautical miles of coasts. At least two days' notice would be given of naval combatant units intending to approach closer than 15 nautical miles; such movements would also require mutual agreement.

31. The Statement also provided for consultations in the event a question should arise about the application of those confidence-building measures. Reciprocal visits to military bases and naval units might be agreed on through diplomatic channels. Naval and air units of the parties would observe internationally established procedures and practices to ensure safety when operating in proximity. It was further stated that the interim system would be reviewed by a British-Argentine Working Group on South Atlantic Affairs within one year of its entry into force, at a date to be determined.

32. Mr. Douglas Hurd, Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom, made the first visit ever to the Territory by a Foreign Secretary in April 1994. 2/ At a press conference in Stanley on 9 April, Mr. Hurd, said that it was now perfectly clear to the islanders, to the Argentines, and to everyone else that the United Kingdom upheld its sovereignty of the Falklands. British sovereignty, he continued, rested on two very strong foundations: the wishes of the Falklanders and the protection of the British armed forces. As regards future contacts with Argentina, Mr. Hurd said the islanders must make up their own minds as individuals and as a community through their councillors. He had found strong feelings against contact with Argentina among people of all ages and considered that these were understandable in view of what had happened 12 years ago. However, it was not his business to come from London and tell the islanders what to do; they would have to make up their own minds.

33. In his Christmas 1993 message to the Falkland Islands, the Prime Minister of the United Kingdom, Mr. John Major, said that the conference on dependent territories which had been held in Britain the previous month had been a success in several ways: it gave publicity to dependent territories as a group; it showed that these territories were responsible and legitimate members of the international community; and it showed that they offered many opportunities for trade, investment, tourism and financial services. The conference had shown very clearly that dependent status was not an anomaly [in the modern world].

34. Mr. Major re-emphasized that the central plank of British policy towards the Falkland Islands was one of resolute, unflinching support for self-determination: the Falklands would remain British for as long as it chose to. The United Kingdom "shall not change that principle now or in the future", he said.

35. In a letter to the Secretary-General dated 17 February 1994 (A/49/76), Argentina reported that it had contacted the Government of the United Kingdom offering to take on the task of clearing the mines laid during the conflict of 1982. That offer coincided with the spirit of General Assembly resolution 48/7

concerning assistance in mine clearance, co-sponsored by Argentina and adopted without a vote by the General Assembly, on 19 October 1993.

36. On 3 January 1994, the Government of Argentina issued the following statement:

> "Upon the completion of yet another year of British occupation of the Malvinas Islands, the Argentine people and Government strongly reaffirm their inalienable sovereign rights over those territories and over South Georgia and the South Sandwich Islands and the surrounding maritime areas.
>
> "At the same time, the Argentine Government reaffirms its firm intention to continue to make progress in the dialogue and negotiations with the United Kingdom, with a view to strengthening mutual trust and extending bilateral cooperation in the South-West Atlantic, which will enable the two parties to advance towards a just solution of their historical territorial dispute.
>
> "The Argentine Government also stresses that it is entirely willing to engage in an increasing dialogue with the population of the Malvinas Islands. This dialogue, which already covers topics relating to living resources, could be extended to such other areas as hydrocarbons and communications. The Argentine Government is firmly committed to promoting the well-being of the population of the Malvinas Islands, on an equal footing with all other inhabitants of Argentine territory."

37. On 10 June 1994, the Government of Argentina issued the following statement:

> "The Argentine people and Government recall, 165 years after the establishment of the Political and Military Command of the Malvinas Islands and the Atlantic Ocean islands off Cape Horn, the Argentine Republic's exercise of effective sovereignty over the southern territories and maritime areas.
>
> "That exercise of sovereignty, which was contemporary with the birth of Argentina as an independent country, was interrupted by force in 1833, through the British occupation and the expulsion of the original authorities and settlers.
>
> "The Argentine people and Government have never accepted that use of force and reaffirm today their firm and unswerving determination to regain through the diplomatic channel their exercise of sovereignty over the Malvinas Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas.
>
> "Without exception, the countries of our region support Argentina's rights. The Argentine claim has been heeded in the General Assembly of the United Nations and the General Assembly of the Organization of American States. Both forums have called on the Governments of the Argentine Republic and the United Kingdom to resume

negotiations with a view to reaching a definitive solution to the sovereignty dispute.

"The Argentine Government reaffirms its willingness to continue exploring understandings with the United Kingdom, so as to consolidate peace and cooperation in the area. This position is based on the belief that the approach in question is in the interest of both Argentina and the United Kingdom and will lead to the establishment of a framework conducive to satisfactory settlement of the dispute.

"In the context of this endeavour, the specific action taken by the Argentine Government provides repeated proof of its determination to respect the settlers on the Malvinas Islands and to promote increasing communication and effective cooperation between them and all other inhabitants of Argentine territory."

VI. ECONOMIC CONDITIONS

A. General

38. Prior to 1982, the economy of the Falkland Islands (Malvinas) was based on sheep ranching on large farms owned by absentee landlords; islanders were largely employed as shepherds and labourers. Because revenue from the export of wool, the only substantial source of income, was inadequate to cover expenses, the Territory remained financially dependent on the administering Power, which did not make large investments in infrastructural development. As a result, the way of life remained extremely simple and without amenities. In 1980, national income per capita at 1990 prices was estimated to be £4,510.

39. After the conflict with Argentina in 1982, the economy expanded rapidly owing to post-war reconstruction and private and public expenditure on infrastructural development. The administering Power allocated £46 million, which went towards the construction of a new hospital and senior school, port facilities, roads and houses and a new military airport capable of accommodating wide-bodied commercial jets. By 1984/85, the national income per capita was estimated to be £5,650.

40. In 1986, the United Kingdom declared the Falkland Inner Conservation and Management Zone (FICZ), the prime objective being to regulate fishing within a radius of 150 miles, and to levy licence fees. The effect of the levying of licence fees, from £10,000 to £250,000 each 3/ was to provide a major source of new income and to boost the Territorial Government's total income from less than £20 million in 1986/87 to £44 million in 1990/91, of which £26.5 million came from fishing. The additional incomes permitted the Territory to be financially self-sufficient for the first time and led to a significant improvement in the standard of living. According to a report in The Economist, 4/ under the shelter of United Kingdom, defence spending of £65 million annually and the increased revenues principally from fishing, the Territory was enjoying the benefits of a more than model welfare State, with superbly equipped schools, free medical care at a well-equipped hospital and inexpensive fuel. A small

tourism industry attracting visitors who appreciate the remoteness and wildlife has also developed.

41. The agricultural industry began to decline in the 1990s, owing to a reduced demand for wool on the world market, and remains depressed to date though there are now initial signs of wool price recovery. The tourism industry world wide was also hit in 1991, but is now recovering. In 1992/93, there were considerable fears that income from the sale of fishing licences, notably for squid, would be badly affected by competition from Argentina, in whose waters the squid are also found. In the event, agreement with Argentina was reached on the numbers of licences each country would sell and revenues to the Falkland Islands declined only marginally.

42. In summary, the United Kingdom reported that the economy of the Territory showed startling growth between 1980 and 1990, with national income increasing 388 per cent in real terms. However, problems are appearing: government revenue is fully committed; agriculture is claiming financial assistance from the State (£15,000 per farm in 1993) and tourism is growing slowly. Development investment has been very dependent on the exploitation of squid and new areas of growth have not yet been identified. It is considered that the development of an offshore oil industry may redress the balance in the longer term.

B. Agriculture, land tenure and livestock

43. Land is devoted almost entirely to sheep ranching; no crops are grown and because of the strong winds and poor soil there are no indigenous trees.

44. From the mid-nineteenth century until the 1980s, almost all the land was owned by absentee landlords and commercial interests, the largest of which was the Falkland Islands Company which had been operating since 1851. At one point, the Company's total holdings comprised almost half the entire area of the Territory. In 1982, the Company began to sell off its land, into private local ownership; in 1991, the local Government bought the last 900,000 acres along with the acreage still owned by absentee landlords and created some 90 smaller farms which were sold to islanders. Currently, over 95 per cent of the total land area is owned by residents. Farms are still considered giant by European standards, a tract of 10,000 hectares being reportedly referred to as modest. It is reported that one of the problems facing all sheep farmers is that after 150 years of grazing, the pastures are of poor quality, with good pastures supporting one sheep per 2.5 acres and poor ones requiring 3 acres per sheep. The Falkland Islands Company continues to carry on business as shipping agents, contractors and general merchants.

45. As a result of the subdivision of the large holdings and the slump in the wool market, the traditional farming communities have begun to disintegrate. To help farmers weather the crisis, the Government is providing wool subsidies and mortgage relief; in 1991, £2 million was set aside for this purpose. Despite these measures, former farm workers are reported to be unemployed or to be barely getting by doing road building; some farms may go out of business. In any case, the number of people living on farms is shrinking steadily, having declined from 430 in 1989/90 to 399 in 1991/92.

46. In recent years, the Falkland Islands (Malvinas) has exported just over 2 million tons of raw wool annually. There were a total of 712,615 sheep in 1991.

C. Fisheries

47. The Territory's fishing sector is based on the sale of licences to foreign trawlers fishing for squid in FICZ. The zone, with a radius of 150 miles, was established by the administering Power as at 1 February 1987 and involves a licensing regime under which the number of fishing vessels and therefore the total catch is limited.

48. In 1993, the total catch from the waters of the Falkland Islands (Malvinas) during the three-month fishing season was just over 230,000 metric tons, of which just under 200,000 metric tons was squid.

49. On 28 November 1990, an agreement was reached between the United Kingdom and Argentina aimed at further enhancing fisheries conservation in the South Atlantic. A South Atlantic Fisheries Commission which meets twice a year, alternately at Buenos Aires and London, was established to discuss conservation over the whole area. The deliberations are governed by "the formula regarding sovereignty over the Falkland Islands (Malvinas), South Georgia and South Sandwich Islands and the surrounding maritime areas agreed upon by the Argentine and United Kingdom Governments in point two of the joint declaration issued in Madrid on 19 October 1989" (see A/AC.109/1122, paras. 26-28).

50. In the Joint Statement on the Conservation of Fisheries of 28 November 1990, the two Governments agreed to open the way for cooperation in this field on an ad-hoc basis, by means of the establishment of the "South Atlantic Fisheries Commission" and the temporary total prohibition of commercial fishing of vessels of any flag in the maritime area defined in the annex to the Joint Statement. The prohibition was lifted for licensed vessels from the Falkland Islands (Malvinas) as from January 1994.

51. As previously reported by the press, in 1992, Argentina offered foreign vessels licences at a lower fee than the territorial Government as well as a seven-month fishing season as compared to the three-month season offered by the territorial Government. It was reported that a large number of Japanese vessels accepted the offer and that some Taiwanese and Korean ships were expected to follow suit. It was estimated that the loss of these vessels could cost the Territory between £8 million and £16 million annually or 20 per cent to 43 per cent of the licence income which had enabled it to do without development aid from the United Kingdom.

52. During the meeting of the Commission in December 1992, the Argentine delegation said that the Argentine Government was prepared to authorize a maximum of 45 fishing permits for the following year. Also, both delegations decided to recommend to their Governments the extension for a further one-year period of the total temporary ban on commercial fishing for vessels of any flag in the maritime areas defined in the annex to the Joint Statement of 28 November 1990. According to the Governor of the Territory, the agreement

reached between the United Kingdom and Argentina in December 1992, together with the modification to the policy and licence conditions of the territorial Government, resulted in a fairly full recovery. The Territory's newspaper reported that revenues from the sale of licences from the first fishing season of 1993 had earned £17.5 million, or only £3 million below original expectations. 5/

53. Subsequently, in October 1993, at the seventh meeting of the Commission, the Argentine delegation stated that its Government would authorize and enforce, south of 45 degrees South, an upper level of catches of 220,000 metric tons and a maximum of 80 foreign flag vessels to fish for Illex. In its turn, the United Kingdom delegation stated that its Government would authorize and enforce a limit on the level of fishing effort during the 1994 season equal to that of the 1993 season so that the expected catch of Illex would be limited to 150,000 metric tons. 6/

54. The eighth meeting of the Commission took place in London on 6 and 7 June 1994 in a cordial and constructive atmosphere. Both delegations noted with satisfaction that the "Early Warning" system agreed at the seventh meeting had worked effectively and that it should be continued. The delegations also, among other things, welcomed the positive experience of the three joint research cruises carried out in 1993 and 1994 and decided to propose to their respective Governments further cruises, subject to agreement on cost-sharing; and agreed to continue cooperation to curtail illegal activities of fishing vessels in the area. Representatives of both Governments expressed satisfaction at the progress in bilateral cooperation reflected in the understandings reached at the meeting and agreed that discussion for a longer-term fisheries agreement, as foreseen in the Joint Statement of the seventh meeting, would continue through diplomatic channels.

55. According to the administering Power, to bolster the economy, efforts are being made to encourage local participation in the fishing sector. Beginning in 1991, new licensing policies that encourage joint ventures between local companies and foreign partners were introduced and there were signs that a small but encouraging locally based industry was developing. In early 1994, a consortium of local fishing companies was established to undertake exploration in the maritime area defined in the annex to the Joint Statement.

D. Industry

56. The industries and services sector comprises over 120 companies involved in building and construction works, the production of woollen yarn and both machine- and hand-knitted garments, food production, retail trade, tourism and general services.

57. The Falkland Islands Development Corporation (FIDC) was established in 1984 to advise the territorial Government on matters pertaining to economic development. It allocates development loans and grants to new enterprises and also takes up shares in, and sometimes wholly owns, development enterprises and services with the aim of increasing self-sufficiency and exports of processed and manufactured products. Currently, some 62 small businesses receive support.

These include a taxi service, a bus service, an electronics repair service, a mechanical repair shop, a number of restaurants, bars and retail outlets, a metal-working business, a driving school and a laundry.

58. Other projects assisted by FIDC are a poultry farm and a market garden, which produce sufficient eggs and vegetables to supply the local community and the military. Two dairies have also been set up, as well as two bakeries and a butchery.

E. Tourism

59. The tourism industry is based on the appeal of the Territory's wildlife and birds. According to the administering Power, the industry has grown satisfactorily since its beginning in 1987, with land-based tourists bringing in about £400,000 annually and cruise vessels a further £200,000. Additional infrastructure needs to be in place before the numbers of tourists can rise significantly.

F. Oil

60. The existence of major oil reserves in the seabed and subsoil around the Territory has been suspected for some time. On 22 November 1991, in anticipation of any possible discovery, the Governments of the United Kingdom and Argentina simultaneously announced the enactment of continental shelf legislation. The United Kingdom issued a proclamation providing for the exercise of its rights over the seabed and subsoil of the continental shelf around the Falkland Islands (Malvinas) and also passed an ordinance permitting seismic surveying. Argentina issued a maritime spaces law which established that from the baselines it fixed, maritime spaces would be measured comprising territorial sea, contiguous zone, exclusive economic zone and continental shelf. The law covers the Falkland Islands (Malvinas), South Georgia and the South Sandwich Islands maritime spaces and continental shelf.

61. On 9 December 1991, it was announced that both sides had agreed to form a High-level Group for the purpose of exploring the implications of their respective legislative measures of 22 November and the scope for cooperation on any activities deriving therefrom. No positive results, however, were reported.

62. In November 1992, the United Kingdom Government authorized oil exploration around the Falkland Islands (Malvinas) and the Territory's Legislative Council passed a bill permitting licensed surveys of the continental shelf. The Government of Argentina responded to these initiatives by reiterating its claim to the Territory. President Carlos Menem approved a bill of Congress setting out Argentina's right to all mineral deposits within 200 miles of the islands. In a communiqué released on this issue, the Argentine authorities made it clear that they do not accept or acquiesce to British sovereignty over the islands, nor do they agree that the United Kingdom has a right to invite companies to undertake surveys in the territorial waters. Also in November 1992, the Argentine embassy in London stated that talks would take place between the

United Kingdom and the Argentine Governments on oil exploration in London the following month, and at Buenos Aires the following year.

63. Initial seismic studies were conducted in 1993 in an area extending 200 nautical miles from the Territory. According to a representative of the British Geological Survey which is analysing the data, although the geological indications are good it is still unknown what the reserves are or if there is any oil at all. The first drilling to test the basin is expected to take place in 1997 and 1998 with the first oil production tentatively scheduled for 2005. The territorial Government is preparing a legislative and tax framework in the event that oil is found. 7/ The Argentine Republic has repeatedly expressed that it is not ready to accept any British unilateral actions on oil exploration and exploitation in the area under dispute and that it has decided to use all peaceful and legal means at hand to prevent it.

64. Talks between the United Kingdom and Argentina are planned to be held in July 1994. There applies to these meetings and their consequences the formula on sovereignty over the Falklands Islands (Malvinas), the South Georgias and South Sandwich Islands and the surrounding maritime areas. The Secretary for Foreign and Commonwealth Affairs, answering questions in Parliament, 8/ said that the United Kingdom had not excluded cooperation with Argentine interests in oil, but that any arrangements must not prejudice its sovereignty over the islands. The territorial Government plans to announce a second licensing round for seismic explorations by the end of 1994.

G. Energy

65. There is a power station at Stanley with an installed capacity of 6.3 megawatts and a smaller one at the Fox Bay East settlement. Throughout the rest of the Territory, power is derived from small-engined generators.

H. Transport and communications

66. The total length of roads outside Stanley amounts to 175 kilometres of which approximately 20 per cent are surfaced in bitumen, asphalt or concrete. The remainder are all-weather roads of crushed stone surface.

67. There is an international airport at Mount Pleasant, about 55 kilometres from Stanley, with a runway of 2,590 metres. There are twice-weekly flights to and from the United Kingdom and, since May 1990, a small Chilean airline, Aerovías DAP, provides regular service to Punta Arenas in southern Chile, with weekly flights during the summer and fortnightly flights during the winter. The Government of the Territory operates an internal air service using three twin-engined islander aircraft. Airmail is flown regularly via Ascension Island.

68. Inter-island sea transport is provided by a coastal cargo vessel of 241.18 tons operated by a local shipping company. There is a shipping service between the United Kingdom and the Territory, with cargo vessels arriving approximately every month.

69. There is a newly installed telephone system throughout the Territory. International calls may be made 24 hours a day.

70. Radio broadcasts are provided by the Falkland Islands Broadcasting Station, a non-commercial radio operating 24 hours a day, financed jointly by the Government and by the British Forces Broadcasting Service. A television service also operated by the Services Sound and Vision Corporation (SSVC) is available in Stanley and most of the rural areas. It operates 10 hours a day.

I. Banking

71. The Standard Chartered Bank of the United Kingdom opened a branch at Stanley in 1983. Both United Kingdom and local coinage are used, together with local currency notes of values £20, £10 and £5.

J. Public finance and international trade

72. For the financial year ended 30 June 1994, there was an estimated operating surplus of £5.7 million.

73. Revenue amounted to £32.7 million of which £18.3 million derived from fisheries. Other sources of revenue included personal and company tax, public works, customs and harbour receipts.

74. Total expenditure amounted to £27 million, of which the two largest categories were fisheries (£4.6 million) and public works (£3.8 million).

75. Traditionally, the United Kingdom was the most important trading partner of the Falkland Islands (Malvinas). By 1994, however, although the United Kingdom continued to be the largest source of the Territory's imports, over 90 per cent of the foreign exchange earnings came from European countries and Asia.

76. The total value of imports in 1992 amounted to £14.6 million (£14.8 million in 1991) of which the largest category was plant machinery and building materials for the construction of public buildings and all-weather roads. Wool was the major export, earning £2.5 million.

77. Re-exports of plant and machinery to Chile, which began in 1989, continue.

VII. SOCIAL AND EDUCATIONAL CONDITIONS

A. Labour and employment

78. Traditionally, there has been full employment in the Territory. During the period under review, however, as noted in paragraph 41 above, unemployment was reported owing to the decline in sheep farming.

79. There are established scales of wages for Stanley and for the Camp. As at 1 January 1994, the latest date for which information is available, hourly wages

at Stanley were as follows: handymen, £3.72 to £4.11; labourers, £3.25 to £3.63; craftsmen £4.71 to £5.17; and foremen £5.32. A 40-hour week is customary.

80. In the Camp, minimum monthly wages for a 40-hour week for agricultural workers were between £300 and £400. In addition, a cost-of-living adjustment was paid to all Camp employees. Labourers and shepherds also received free quarters, fuel, meat and milk. Extra bonuses were paid for shearing, while labourers and shepherds were able to add to their earnings by engaging in contract work, such as fencing and peat cutting. Employees in the Camp are given 21 annual leave days, including nine public holidays.

81. There are a number of overseas personnel working under contract, including St. Helenian workers who are often employed on short-term contracts to fill essential vacancies.

82. Various government departments and certain other employers at Stanley have apprenticeship schemes for training the limited number of craftsmen required.

B. Housing

83. As reported previously (A/AC.109/1122 and Corr.1), housing development undertaken by the United Kingdom Government and other sponsors is complete. The territorial Government, having completed a programme of "general needs" housing construction, is selling off its own stock of houses at advantageous prices and with low interest loans. It is also building single-person housing and providing serviced plots for self-builders and local companies. There was reported to be increasing involvement in construction by the private sector.

C. Public health

84. Medical and dental treatment and drugs are free. The Falkland Islands Government Medical Department employs 6 registered medical practitioners, 10 registered nurses, 6 midwives, 8 untrained nursing auxiliaries, 3 laboratory and X-ray technicians, 1 dental surgeon, 1 pharmacist and 1 physiotherapist.

85. There is a joint civilian/military hospital, the King Edward Memorial Hospital, which was opened in 1987. Built at a cost of approximately £13 million, this hospital is equipped with 28 beds, including 2 for intensive care and 2 for maternity units. Facilities include an operating theatre suite, a pathology laboratory, an X-ray department and a casualty resuscitation department. It also provides airborne medical service to outlying farm settlements. Cases requiring specialist facilities are transferred to the United Kingdom via the Royal Air Force Medevac system.

86. The Medical Department provides a range of preventive medicine activities, including operating child health clinics, school medical services, immunization programmes, well-woman clinics and health education and family planning programmes.

87. The general state of health and nutrition of the population is reported to be good. The principal causes of death are cancer, heart disease and respiratory infections of the aged.

88. The scheme whereby all employed persons were required to pay a medical service levy of 1 per cent of their salary was discontinued as at 1 January 1994. The total budget of the Medical Department for 1993/94 was £1.95 million.

D. Educational conditions

89. Education is compulsory and free of charge for children between the ages of 5 and 15 years. Compulsory education will be increased to age 16 in 1995. There are provisions for further study for those who choose to continue and take standard examinations which would qualify them for the sixth form in the United Kingdom. It is reported that few pupils actually pursue education to "A" level and fewer still reach university, which means that the Falkland Islanders produce few qualified professional people; those who do achieve are reluctant to return home.

90. There are two schools in Stanley, the Infant and Junior School and the Falkland Islands Community School. The latter, which opened in 1992, was built at a cost of £13 million and is the largest single project to have been entirely funded with local revenues.

91. In the Camp, there are four settlement schools; attendance is compulsory for children up to age 10 who live within two miles of the school. Children at other settlements receive regular visits from itinerant teachers; radio instruction for isolated students is also provided. Older children must attend secondary school in Stanley where there is a boarding hostel financed by the Government.

92. In 1994, 149 pupils attended the Falkland Islands Community School; 147, the Stanley Infant and Junior School and 11 the four settlement schools; 27 were served by radio lessons and itinerant teachers.

93. Education in the United Kingdom for students who successfully complete their public examinations is provided at the expense of the territorial Government which also makes available bursaries for college education and vocational training. In 1993, 13 students were in the United Kingdom.

94. There were 38 qualified teachers and 7 not formally qualified.

95. In 1993/94, expenditure on education was estimated at £1.85 million, exclusive of capital expenditure for the new community school.

E. Human rights

96. According to the administering Power, the principles set out in the Universal Declaration of Human Rights are observed in the Territory. In

addition, the administering Power has extended to the Territory the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, although they are not embodied in any one legislative instrument. The Constitution forbids the enactment of laws that are discriminatory.

F. Status of women

97. According to the administering Power, in conformity with articles 2 and 3 of the International Covenant on Civil and Political Rights, there is no discrimination on the basis of sex in the Falkland Islands (Malvinas). There are currently 955 women and 1,095 men.

Notes

1/ The information contained in the present paper has been derived from the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland, as well as from the previous working paper prepared by the Secretariat (A/AC.109/1168 and Corr.1) and several published reports.

2/ Penguin News, 16 April 1994, Times Newspapers Limited, 11 April 1994.

3/ Morrison, Paul, The Falkland Islands, Aston Publications, Ltd., Bourne End, Bucks., United Kingdom, 1990, p. 21.

4/ The Economist, 6 November 1993.

5/ Penguin News, 3 April 1993.

6/ Text of Joint Statement (photocopy), 1 November 1993.

7/ The Reuter European Business Report, 8 March 1994.

8/ Parliamentary Debates, 4 May 1994.